

Fiscal Services Division

Legislative Services Agency

Fiscal Note

SF 571 – Military License Plates (LSB 2144 SZ)

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Fiscal Note Version – New

Description

Senate File 571 provides for the following changes to military license plates:

- Requires the Department of Transportation (DOT) to establish new special license plates for recipients of the Distinguished Service Cross, Navy Cross, Air Force Cross, Soldier's Medal, Sailor's Medal, and Airman's Medal. Emblems for the plates are to be designed by the Department in consultation with the Adjutant General. The special plate fees will be the same fees charged for the existing National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates.
- Directs the Treasurer of State to credit the special plate fees charged from the sale of the new and existing military plates to the Veterans License Fee Fund. Currently, the fees collected from the existing plates are deposited into the Road Use Tax Fund.
- Requires the DOT to establish a new Gold Star special plate for surviving spouses or surviving parents of a deceased member of the U. S. armed forces who died during military combat. The plate is to be issued at no charge and renewed upon payment of the annual vehicle registration fee.
- Revises the fees charged for Legion of Merit special plates. The plates will be subject to the same fees as the existing military plates, and the fees will be credited to the Veteran's License Fee Fund. Persons issued Legion of Merit plates will also be subject to the regular annual vehicle registration fee, instead of the current annual \$15 fee. Persons issued these plates prior to the effective date may continue to use the plates for the lower fee.
- Makes corrective amendments to change the name of the Congressional Medal of Honor special plate to Medal of Honor.

Background

- Under current law, the total fees collected from the registration of motor vehicles are deposited into the Road Use Tax Fund. County treasurers, however, retain 4.0% of the total amount collected from each annual or semiannual vehicle registration and each duplicate registration card or plate issued for deposit into the county general fund.
- With the exception of Legion of Merit plates, the annual special plate fees for the existing military plates are in addition to the annual vehicle registration fee. Those fees are as follows:
 - Initial Issuance (letter-number designated plate): \$25
 - Initial Issuance (personalized plate): \$50 (\$25 special plate fee, \$25 personalized fee)
 - Annual Renewal (letter-number designated plate): \$5
 - Annual Renewal (personalized plate): \$5
- Currently, there is no fee collected for Legion of Merit plates, with the exception of an annual vehicle registration fee of \$15.

Assumptions

- There are an estimated 4,200 special Legion of Merit, National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates currently issued.
- There are an estimated 175 living persons that have received a Distinguished Service Cross, Navy Cross, or Air Force Cross. The number of living persons that have received a Sailor's Medal, Soldier's Medal, or Airman's Medal is unknown.
- Of the \$50 fee collected from the initial issuance of the new and existing personalized plates, the \$25 special plate fee will be credited to the Veteran's License Fee Fund and the \$25 personalized fee will be deposited into the Road Use Tax Fund. All other special plate fees will be credited to the Veteran's License Fee Fund.
- Although no special plate fee will be charged for Gold Star plates, persons issued such plates will be subject to personalized plate fees. Those fees will be deposited into the Road Use Tax Fund.
- The number of new and existing special plates that will be issued, renewed, or exchanged in subsequent years is unknown. Therefore, the amount that will be collected from the special plate fees is unknown.
- For estimating purposes, it is assumed that the amount collected from the existing plates in FY 2008 and beyond will be the same amount that was collected in CY 2006. In CY 2006, an estimated \$29,000 was collected from initial issuances and renewals.
- For estimating purposes, it is assumed that a total of 30 new military plates will be issued annually, up to a total of 200. The total amount collected annually from initial issuances and renewals is estimated to be between \$1,000 and \$2,000 beginning in FY 2008.
- The additional revenue collected from the change in the annual vehicle registration fee for persons issued Legion of Merit plates is unknown.
- One-time programming costs to the DOT are estimated to be \$53,000, and would be paid from the Motor Vehicle Division's base budget, of which 96.0% is Road Use Tax Fund moneys and 4.0% Primary Road Fund moneys.
- The cost to manufacture the new special license plates is \$4.00 per pair, which includes supplies, materials, and labor. Costs would be paid from the off-the-top Road Use Tax Fund allocation used for the manufacture of license plates.

Fiscal Impact

The number of plates that will be issued, renewed, or exchanged is unknown. Based on the amount collected in CY 2006, and the number of new plates that are estimated to be renewed annually, the estimated fiscal impact is an increase of \$27,000 to the Veteran's License Fee Fund and a decrease of \$76,000 to the Road Use Tax Fund for FY 2008. For subsequent fiscal years, the estimated fiscal impact is an increase of \$27,000 to the Veteran's License Fee Fund and a decrease of \$26,000 to the Road Use Tax Fund.

The additional revenue collected from the change in the annual vehicle registration fee for persons issued Legion of Merit plates is anticipated to be minimal.

The fiscal impact to the Department of Public Defense for costs associated with the Adjutant General consulting with the DOT on the special plate emblem designs is anticipated to be minimal.

Source

Department of Transportation

/s/ Holly M. Lyons

April 2, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
